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ABSTRACT

This paper examines the financial consequences of one section of Bill 47, which allowed Manitoba's parents to have "freedom of choice" when placing their children in school. The article traces the passage of Bill 47, the Public School Amendment Act, which the government of Manitoba rushed through the Legislative Assembly in 1996. Accompanying the freedom of choice was the mandatory transfer of funds when a student moved from one school district to another. The text explains how increased competition among schools, combined with parental choice, accelerated mobility rates among school divisions. A review of the 47 school divisions and 9 school districts that make up all the public schools in Manitoba revealed that 1 percent of the total public school budget had been changing hands among school divisions/districts as a result of student mobility in 1997. In terms of winners and losers, it was found that 51 percent of the total jurisdictions suffered financial loss when outgoing students outnumbered incoming students. Thirty-four percent of school divisions/districts benefitted from transfers and 14 percent experienced a neutral fiscal impact. Although the overall effect on budgets remained modest for 1997-98, it is uncertain whether more profound fiscal consequences will be evident in coming years. (RJM)

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Abstract

The concept of "neighourhood school" which compells students to attend schools with the closest proximity to their residence is well established. Such a concept, however is challenged back to 1996 when the Manitoba government forced through the legislative Assembly, Bill 47 which guaranteed "freedom of choice" for parents in the selections of programs and school of their preference. Accompanying the freedom of choice is the mandatory transfer of funds when a student moves from one school division/district to another. The preliminary outcomes of the investigation, as reported in this paper, showed winners, losers and a few unaffected school districts. Critical questions associated with the changing fortunes of the school divisions/districts are raised.

Assessing the Financial Impacts of Bill 47 on Manitoba School Divisions/Districts

Bill 47, the Public School Amendment Act, was one of the dozens of bills that the Government of Manitoba rushed through the Legislative Assembly between September 16 to November 2, 1996. After the ritual consultation process with the various stakeholders, the Government, sensing that consensus could not be reached in many aspects of its initiatives, used its majority in the Assembly to ensure that all the bills became laws without allowing much debates on all issues. In so doing, the Government brushed aside all potential challenges and actual oppositions to maintain its charted course of school reform.

While the global impacts of Bill 47 and other bills that hold strong ramification for public education are explored elsewhere (Lam, 1998), the purpose of this paper is to examine the impacts of one section of Bill 47 on the financial well-beings of school divisions and districts in Manitoba after one year of operation. Prior to the detailed analysis, it seems pertinent to first begin understand the nature of the bill. Sources of data and assumptions about the financial projections should also be clarified, before the implications can be fully explored.

Nature of Bill 47

By nature, Bill 47, the Public Schools Amendment Act, was one of the less controversial pieces of legislature, that had become law. While the intent of this bill was to update regulations in the Public School Act that become obsolete, it did contain some sections that have political, social and financial implications for the school divisions. Section 41(5.1), which is of particular interest to this paper, states that

"where a resident pupil attends a program at a school in another school division and that program is offered by the home school division, the home school division shall pay a pupil transfer fee to the other school division in accordance with the regulations"

In the past, if the home school had offered the same program as another neighbouring school division, there would be no financial support to the student when he/she opted for another division. By this regulation, the Government has explicitly encouraged **competition** and parental **choice**. To some researcher (e.g. Cookson, 1994), school choice is one method by which public education can be reinvented. Such a sentiment is supported by the arguments that choice offers the best prospect for accommodating different expectations, relases flavour, creativity, energy and responsiveness to parents so that we can break out of what is fast becoming a dead end for public schools (Glenn, 1986).

Implications for Adoption of Bill 47

Conceptually, competition and choice are intimately related to each other. Beginning with initial need to accommodate students' differential learning abilities within the public school system, which resulted in the development of tracking system (i.e., grouping of students by abilities), the efforts were caught on by the search for alternative schooling in the alternatives movements in the 1960's (Raywid, 1985). Since 1980's, public policy analysts and sociologists of education were increasingly drawn to the differences of public and private schools in their respective non-competitive and competitive environments and they began to focus on how these differences of environments affected performance, structure and conduct (Arum, 1996). In the 1990's family mobility and increased consumerism further gave rise to the school choice movement (Bainbridge, 1991). In this context, Bill 47 seems to captivate the spirit of private enterprises by allowing public education to engage in greater competition and accommodate current public demands for choice.

Operationally, formalized competition and parental choice accelerated mobility rate for parents who exercised their newly acquired right of sending their children to neighbouring school divisions for programs or courses of their choice. Data from the Finance Branch, Government of Manitoba, showed that some 3,500 students or about 2% of the total student population in Manitoba were on the move when statistics were compiled at the end of September, 1997. Phone interviews with a few sampled superintendents confirmed the fact that while some percentages of the students moving in or out of their school divisions existed before Bill 47 became law, a substantial proportion of transferred students did occur after the bill came into effect.

Financially, school divisions receiving students from other divisions were entitled to an operational fund of $3,722 and a transfer fund of $1,000 per student. Strictly speaking, however, these only represent a portion of the actual amount of funding transferred among school divisions given that Maryland Foundation Grant Plan is still the cornerstone of financing Manitoban public schools. In other words, as the number of authorized teachers, school supplies, instructional and pupil support services, administration, transportation of pupils, operations and maintenance are

calculated on the basis of the enrolment figures, the fiscal budget of a school division/district is not solely influenced by the amount formally assigned to the fluctuation of student body counts.

It is true that Bill 47 did stipulate that school divisions should accommodate the intra-division needs first before catering to the demands of parents from out of the school divisions. In reality, however, it is difficult to conceive how the division/district administrators, in the name of financial benefits or divisivon reputation, could refuse demands from parents who opt for their schools and programs. Competition, therefore, is in full swing when no school divisions/districts attempt to cap the number of in-coming students.

Treatment of Financial Data

In light of the global impacts enrolment fluctuations exert on all aspects of the operations of the school divisions, it would seem that a more inclusive computation of transferred amount based on the actual expenditure of each student for the concerned divisions is a far more reliable estimation of the financial implication than the calculation strictly confined to the official transferred amount. Acceptance of this argument allows us to modify the initial data provided by the Finance Branch, Government of Manitoba (Table 1) and sets the stage for us to review critically what Bill 47 impacts on the financial well-beings of all school divisions/district in Manitoba.

For the present purposes, the average cost of each student was estimated on the actual expenditures for the affected divisions/districts released by the Financial Branch back in 1992/3 (Manitoba School Divisions/ Districts Boundaries Review Commission, 1994). Such data are not dated given that the Provincial Government of Manitoba had adopted a zero-increase approach in funding the public schools over the past six years.

Financial Winners and Losers after Implementation of Bill 47

After a review of the 47 school divisions and 9 school districts that make up the total public school jurisdictions in Manitoba, it was found that about $10,644,542 or 1% of the total public school budget had been changing hands among school divisions /districts as a result of the student mobility in 1997.

In terms of winners and losers as a result of competition and parental choice, it was found that there were 29 school divisions/districts (or 51% of the total jurisdictions) that suffered financial loss when out-going students out-numbered in-coming students. There were 19 school divisions/districts (or 34%) that benefitted from student transfers. And, there were eight school divisions/districts (or 14%) where the financial impacts were "neutral". This was the result of situations when the out-going students equalled to incoming- students or where no transfer was reported

due largely to the isolated locations of school disivions/districts (Table 2).

Most of the school divisions which either benefitted or suffered as a result of student transfer found the changes to be moderate, i.e., within the ranges of 1- 2% above or below their budgets. There were, however, some notable exceptions. There was a school division which gained a net increase of 226 students and a subsequent addition of $1.2 million. A smaller division, likewise, saw its enrolment increased by 9.2% with an additional net income of &750,000 due to student transfer. On the other hand, there was also another school division which suffered a net decline of 6.2% of its enrolment with a financial loss of $1.5 million when more students transferred out of that division.

In order to better understand reasons for students mobility that gravely influenced the financial state of affairs of the school jurisdictions, telephone interviews were arranged with two superintendents, representing the top winner and top loser of Bill 47. In response to the question as to why more parents chose to send their children to the school division that made substantial gains in student transfer, the superintendent could only cite reputable programs, sensitivity to students' needs and dedicated staff as the most apparent reasons. Indeed, this division administrator had gone out his way in encouraging and promoting his staff to undertake on-going professional development and advanced studies by contracting with a Faculty of Education of a university to deliver its full graduate program on site.

On the other hand, to the superintendent whose division lost substantially, the out-going students represented those who were looking for programs that the school division did not offer, i.e., vocational and technical programs in regional high schools outside the division boundaries. He attributed this outward mobility to the continuity of the past trend. He could not account for the additional 60 students who had opted out of this division after Bill 47 had come into effect.

With respect to the minority of school divisions/ districts that neither gain or lose financially after the implementation of Bill 47, one might attribute in most cases to their geographical uniqueness or isolation. In remote locations, however, parents face logical problems for transferring their children to other schools, given that distance between schools are too great to be financially feasible to take their children elsewhere. Choice does not exist in reality.

Does Bill 47 achieve its objectives?

The financial implications of Bill 47 for the Manitoba school divisions/districts, as seen from the foregoing analyses, vary greatly from one school division/district to another. Overall, however, there are more divisions which suffer financial loss than those which gain from the implementation of Bill 47. While the overall impacts on school divisions' budgets remain modest for the 1997-8 academic

year, ranging from -8.8 % to +9.2%, we are uncertain whether the fiscal impacts will be peaked at the current level for years to come or whether this is the beginning when mobility and fee transfer will accelerate. It is perhaps a bit premature at this stage to speculate the long-termed financial impacts this bill has on fiscal well-being of the school divisions/districts.

On other issues, if the objectives of Bill 47 explicitly and implicitly are to improve the quality of programs and services to students through greater competition and greater parental choice, we need to ask three follow-up questions:

1. To what extent have the school divisions started reviewing vigorously the current programs and services that they offer to students and to whether they have started doing something about them?

2. To what extent do Manitoban parents really have the opportunity to exercise their rights in choosing schools and programs for their children?

3. How would such choices increase or decrease accessibility or equity among parents coming from different socio-economic backgrounds?

Answers to all of these questions require additional follow-up investigation to clarify.

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Table 1

Pupils Attending Out-of-Division for a School of Choice
September 30, 1997 (Preliminary)

No.	School Division	From Other Divisions	To Other Divisions	Net Pupils	% of Sept. 1996 Enrollment
1	Winnipeg	737	783	(46)	-0.1%
2	St. James-Assiniboia	248	150	98	1.0%
3	Assiniboine South	163	198	(35)	-0.5%
4	St. Boniface	94	130	(36)	-0.7%
5	Fort Garry	210	136	74	1.0%
6	St. Vital	89	184	(95)	-1.0%
8	Norwood	118	51	67	6.3%
9	River East	188	177	11	0.1%
10	Seven Oaks	465	240	225	2.4%
11	Lord Selkirk	14	71	(57)	-1.2%
12	Transcona-Springfield	70	114	(44)	-0.5%
13	Agassiz	37	42	(5)	-0.2%
14	Seine River	60	311	(251)	-6.2%
15	Hanover	106	7	99	1.7%
16	Boundary	0	37	(37)	-4.8%
17	Red River	0	21	(21)	-3.3%
18	Rhineland	47	2	45	3.1%
19	Morris MacDonald	199	35	164	9.2%
20	White Horse Plain	20	114	(94)	-8.8%
21	Interlake	22	54	(32)	-0.9%
22	Evergreen	23	15	8	0.4%
23	Lakeshore	10	27	(17)	-1.1%
24	Portage la Prairie	27	42	(15)	-0.4%
25	Midland	34	30	4	0.2%
26	Garden Valley	62	21	41	1.5%
27	Pembina Valley	16	18	(2)	-0.2%
28	Mountain	22	37	(15)	-1.6%
29	Tiger Hills	26	46	(20)	-1.6%
30	Pine Creek	48	29	19	1.3%
31	Beautiful Plains	53	26	27	1.6%
32	Turtle River	40	50	(10)	-1.0%
33	Dauphin-Ochre Area #1	11	18	(7)	-0.3%
34	Duck Mountain	1	12	(11)	-1.3%
35	Swan Valley	3	3	0	0.0%
36	Intermountain	6	8	(2)	-0.2%
37	Pelly Trail	7	25	(18)	-1.7%
38	Birdtail River	28	10	18	1.3%
39	Rolling River	63	36	27	1.2%
40	Brandon	47	49	(2)	-0.0%
41	Fort la Bosse	21	4	17	0.9%
42	Souris Valley	21	16	5	0.4%
43	Antler River	5	31	(26)	-2.8%
44	Turtle Mountain	21	29	(8)	-0.6%
45	Kelsey	0	4	(4)	-0.2%
46	Flin Flon	0	0	0	0.0%
47	Western	25	51	(26)	-1.8%
48	Frontier	1	30	(29)	-0.5%
49	D.S.F.M.	0	0	0	0.0%
2155	Pine Falls	19	6	13	8.8%
2264	Churchill	0	0	0	0.0%
2309	Snow Lake	0	0	0	0.0%
2312	Lynn Lake	0	0	0	0.0%
2355	Mystery Lake	0	1	(1)	-0.0%
2408	Whiteshell	6	2	4	1.2%
2439	Sprague Consolidated	0	0	0	0.0%
2460	Leaf Rapids	0	0	0	0.0%
'56'	Total	3,533	3,533	0	0.0%

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Table 2

Financial Impacts on School Divisions/Districts
as a Result of Student Mobility

No	School Division	Amount	Loss	Gain	No Change
1	Winnipeg	$204,182	X		
2	St. James-Assiniboia	$550,866		X	
3	Assiniboine South	$187,390	X		
4	St. Boniface	$232,580	X		
5	Fort Garry	$406,089		X	
6	St. Vital	$510,175	X		
8	Norwood	$523,457		X	
9	River East	$ 68,625		X	
10	Seven Oaks	$1,233,197*		X	
11	Lord Selkirk	$297,211	X		
12	Transcona-Springfield	$213,817	X		
13	Agassiz	$ 30,337	X		
14	Seine River	$1,512,442*	X		
15	Hanover	$381,159		X	
16	Boundary	$235,623	X		
17	Red River	$209,860	X		
18	Rhineland	$209,136		X	
19	Morris MacDonald	$755,300		X	
20	White Horse Plain	$541,649	X		
21	Interlake	$140,874	X		
22	Evergreen	$ 39,542		X	
23	Lakeshore	$ 88,732	X		
24	Portage la Prairie	$ 74,336	X		
25	Midland	$ 17,095		X	
26	Garden Valley	$181,884		X	
27	Pembina Valley	$ 10,688	X		
28	Mountain	$111,880	X		
29	Tiger Hills	$119,912	X		
30	Pine Creek	$ 95,094		X	
31	Beautiful Plains	$135,341		X	
32	Turtle River	$ 70,324	X		
33	Dauphin-Ochre Area #1	$ 34,528	X		
34	Duck Mountain	$ 69,479	X		
35	Swan Valley	0			X
36	Intermountain	$ 13,877	X		
37	Pelly Trail	$107,184	X		
38	Birdtail River	$101,626		X	
39	Rolling River	$149,757		X	
40	Brandon	0			X
41	Fort la Bosse	$ 94,866		X	
42	Souris Valley	$ 24,995		X	
43	Antler River	$157,986	X		
44	Turtle Mountain	$ 42,611	X		
45	Kelsey	$ 20,339	X		
46	Flin Flon	0			X
47	Western	$119,684	X		
48	Frontier	$238,539	X		
49	D.S.F.M.	0			X
2155	Pine Falls	$ 61,386		X	
2264	Churchill	0			X
2309	Snow Lake	0			X
2312	Lynn Lake	0			X
2355	Mystery Lake	0	X		
2408	Whiteshell	$ 16,888		X	
2439	Sprague Consolidated	0			X
2460	Leaf Rapids	0			X
56	TOTAL	$10,644,542	29	19	8
		(1%)	(51%)	(34%)	(14%)

*Top Winner and Top Loser

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